

**COMMUNITY DEVELOPMENT BLOCK GRANT  
ECONOMIC DEVELOPMENT LOAN FUND PERFORMANCE  
1982 - 1988**

The Federally-funded CDBG Economic Development Loan Fund Program awarded approximately \$6.7 million over the period to Montana cities, towns and counties. The federal funds are used to assist local communities with economic development activities, principally as loans to for-profit businesses and as either loans or grants to nonprofit businesses or facilities. The Program reviews applications and the projects are selected by considering feasibility, economic impact and job creation or retention for low and moderate income persons.

**SUMMARY OF ACTIVITIES AND RESULTS FOR PROGRAM YEARS 1982-89**

It is important to note that the program is accessible to communities of all sizes and to a wide variety of businesses. Grants have been made to small communities and to a variety of businesses and companies.

CDBG Funds:	\$ 6,696,758
Other Funds:	<u>\$ 12,060,035</u>
Total:	<u>\$ 18,956,793</u>
Jobs Created/Retained:	355 Full-time/30 Part-time

**LOCATIONS/PROJECTS**

City of Hardin	Custer Battlefield Trading Company
City of Bozeman	IXL Lightwave Corporation
City of Havre	Rocky Mountain Packing Company
City of Helena	Win-trol
City of Stevensville	Turner Engineering, Inc.
Gallatin County Life-Link International	
City of Missoula	Blue Star Canvas products
City of Bozeman	Schnee's Boot Works
City of Malta	Hi Line Packing, Inc.
City of Butte	U.S. High Altitude Training Center
City of Lewistown	Mountain Meadows Products, Inc.
City of Livingston	Livingston Depot Foundation
Missoula County	Norco Products
Town of West Yellowstone	Ralide-West Saddle Trees
City of Belgrade	Butler Creek Corporation
City of Kalispell	Multiple Projects
Hill County	Multiple Projects
Sweet Grass County	C. Sharps Arm County, Inc.

More detailed summaries of these projects can be found on the following pages.

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**MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SUMMARY OF 1982 - 1988  
ECONOMIC DEVELOPMENT PROJECTS**

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**Locality:** **Hardin**

Company Name: Custer Battlefield Trading Company  
Type of Business: Gift & Sandwich Shop  
Financing Date: 2/88

CDBG Funds: \$ 169,900  
Other Funds: \$ 267,473  
TOTAL PROJECT: \$ 437,373

Job Creation: 8  
LMI: 8 (100%)

Use of Funds: Working capital

The project will provide a \$150,000 loan to the Custer Battlefield Trading Company (CBTC), which will be applied toward the construction of a two-story 32 x 100 log structure from which a gift shop, sandwich shop, catering service, catalog sales, Indian and western gallery will operate. In addition, funds will be used for parking, lighting, signs and appropriate security. The project will retain and create a total of 8 full-time equivalent jobs with 100% of the jobs serving low and moderate income persons. Recently, the CBTC lost its facilities lease and to remain in business must expand with new facilities.

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**Locality:** **Bozeman**

Company Name: ILX Lightwave Corporation  
Type of Business:  
Financing Date: 2/88

CDBG Funds: \$ 321,000  
Other Funds: \$ 478,784  
TOTAL PROJECT: \$ 799,784

Job Creation: 39  
LMI: 29 (74%)

Use of Funds: Working capital

The City of Bozeman will loan \$321,000 to enable ILX Lightwave expand their manufacturing operation to extend their existing product line. The overall project will create at least 39 jobs of which 29 will be filled by low and moderate income individuals.

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**Locality:**                      **City of Havre**

Company Name:              Rocky Mountain Packing Company

Type of Business:          Meat processing and packaging.

Financing Date:            Fall of 1987

CDBG Funds:                \$ 273,000

Private Funds:              \$ 745,000

TOTAL PROJECT:          \$1,018,000

Job Retention:              11

LMI:                              6 (63%)

Use of Funds:                Working Capital and Improvements

The City of Havre will involve a loan to the new ownership of Rocky Mountain Packing Company. The firm, Havre's oldest business, has been in operation for 56 years. The project will retain 11 existing jobs and create 6 new jobs over a two year period. CDBG funds in the amount of \$240,000 will be used for new equipment, completion of needed improvements to the existing building, and working capital. The company has agreed to make all new employment opportunities available to low and moderate income persons.

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**Locality:**                      **Helena**

Company Name:              Win-trol

Type of Business:          Manufacturer of window controls

Financing Date:            Fall of 1987

CDBG Funds:                \$ 372,250

Private Funds:              \$ 451,457

TOTAL PROJECT:          \$ 823,707

Job Creation:                13

LMI:                              13 (92%)

Use of Funds:                Working Capital

The City of Helena will provide assistance to Win-Trol, Inc., a new manufacturer of window controls that will assemble window control for the manufacturer of Pella windows, doors, and skylights. The plant will employ 13, all of which will be low to moderate income positions. The City will provide funding to purchase, renovate and equip the building.

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**Locality:** **Stevensville**  
Company Name: Turner Engineering, Inc.  
Type of Business: Manufacture of gas mask components  
Financing Date: Fall of 1987  
CDBG Funds: \$ 375,000  
Private Funds: \$ 50,313  
MT BD of Invest: \$ 375,000  
EDA: \$ 247,200  
TOTAL PROJECT: \$ 1,047,513  
Job Creation: 64  
LMI: 64 (91%)  
Use of Funds: Equipment, Remodeling

The Town of Stevensville will loan \$192,750 to complete a multiple participant financing plan for Turner Engineering. TEI, a rapidly growing Department of Defense contractor, will use the loan funds to purchase additional production equipment for the manufacture of gas mask components. As a result of the project, TEI will create 64 new jobs for low and moderate income persons.

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**Locality:** **Gallatin County**  
Company Name: Life-Link International  
Type of Business: Sporting goods  
Financing Date: Spring of 1987  
CDBG Funds: \$ 250,000  
Private Funds: \$ 650,000  
TOTAL PROJECT: \$ 900,000  
Job Creation: 38  
LMI: 38 (82%)  
Use of Funds: Expansion

Gallatin County will use \$232,500 of the requested grant amount as a loan to Life-Link International, Inc. toward an expansion project. Life-Link sells "Croakies" eyeglass retainers, Simms fishing accessories, and mountaineering equipment to national and international markets. Life-Link plans to expand its operations by establishing a new plant in Bozeman. The project will create 38 new jobs primarily for low and moderate income persons.

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**Locality:**                      **City of Missoula**

Company Name:              Blue Star Canvas Products

Type of Business:          Fabric manufacturer

Financing:                      Spring of 1987

CDBG Funds:                \$ 141,500

Private Funds:              \$ 718,808

TOTAL PROJECT:          \$ 860,308

Job Retention:                29

Job Creation:                3

LMI:                              17 (69%)

Use of Funds:                Working capital

The City of Missoula will loan Blue Star \$125,000 to help the business recover from the depletion of working capital it experienced during its rapid growth over the last three years. Blue Star Canvas is an industrial fabric manufacturer that produces a variety of products, i.e. camping, hunting, riding, horse packing and related products. The business will retain 29 employees (26 full-time equivalent jobs) and create 3 new full-time equivalent positions. Seventeen of the 29 retained employees are low and moderate income persons.

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**Locality:**                      **City of Bozeman**

Company Name:              Schnee's Boot Works

Type of Business:          Manufacture Pac boot footwear

Financing Date:              Winter of 1987

CDBG Funds:                \$ 162,000

Other funds:                \$ 189,500

TOTAL PROJECT:          \$ 351,500

Job Creation:                8

LMI:                              8 (100%)

Use of Funds:                Relocation

Bozeman will loan CDBG funds to Schnee's Boot Works for relocation to a larger and better facility within the City. Eight full-time equivalent jobs will be made available to low and moderate income persons over a two and one-half year period. The move will also enable Schnees to expand its mail order, retail footwear, and shoe and boot repair operations.

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**Locality:**                      **City of Malta**

Company Name:              Hi Line Packing, Inc.

Type of Business: Meat Packing and Processing Plant  
Financing Date: Winter of 1987  
CDBG Funds: \$ 175,000  
Private Funds: \$ 227,000  
TOTAL PROJECT: \$ 402,000  
Job Creation: 10  
LMI: 10 (100%)  
Use of Funds: Working Capital, Purchase Existing Assets

The City of Malta will loan CDBG funds to Hi Line Packing, Inc. to establish a meat canning facility which will operate in conjunction with its slaughter and processing plant. Hi Line Packing will construct a new building and purchase the assets of Montana Ranch Beef, Inc. The project will create 10 new full time equivalent jobs to be made available to low and moderate income persons.

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**Locality:** Butte  
Company Name: U.S. High Altitude Training Center  
Type of Business: Skating Training Center  
Financing Date: Fall of 1986  
CDBG Funds: \$ 246,165  
Private Funds: \$ 625,000  
TOTAL PROJECT: \$ 871,165  
Job Creation: 6  
LMI: 4 (67%)  
Use of Funds: Infrastructure

Butte is installing a sanitary sewer line and constructing an access road to the site selected for the construction of the U.S. High Altitude Training Center, a nonprofit foundation. The public infrastructure is necessary for completion of the Center. The project includes the installation of a 400 meter refrigerated speed skating track to be used for training and competition. The project will create six new permanent jobs and indirectly create 40 new jobs in the Butte area.

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**Locality:** City of Lewistown  
Company Name: Mountain Meadows Products, Inc.  
Type of Business: Pelleting Mill  
Financing Date: Fall of 1986  
CDBG Funds: \$ 175,435  
Private Funds: \$ 182,000

TOTAL PROJECT:    \$ 357,435  
Job Creation:                       8  
LMI:                                8 (100%)  
Use of Funds:            Rehabilitate an Existing Building

The City of Lewistown will assist Mountain Meadows by providing them with a loan to rehabilitate an existing building. The firm manufactures organic cat litter and animal bedding material. Eight new full time equivalent jobs will be made available for low and moderate income persons.

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**Locality:**                       **City of Livingston**  
Company Name:           Livingston Depot Foundation  
Type of Business:       Museum  
Financing Date:         Spring of 1986  
CDBG Funds:             \$ 100,000  
US EDA:                 \$ 292,500  
City of Livingston:      \$ 17,000  
BN Foundation:         \$ 50,000  
TOTAL PROJECT:        \$ 459,500  
Job Creation:                       6  
LMI:                                5 (83%)  
Use of Funds:            Operate the Museum

The City of Livingston has entered into a long term lease with the Livingston Depot Foundation. The museum will be operated in conjunction with the Buffalo Bill Historical Center in Cody, Wyoming and will include exhibits depicting the history of the Upper Yellowstone Valley and the Park area.  
The project will create a total of six full time positions, five of which will be made available to low and moderate income persons.

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**Locality:**                       **Missoula County**  
Company Name:           Norco Products  
Type of Business:       Manufacturers Institutional Furniture  
Financing Date:         Spring of 1986  
CDBG Funds:             \$ 302,000  
MEDB:                    \$ 600,000  
Bank Loan:               \$ 150,000  
SBA:                       \$ 260,000  
NORCO:                   \$ 160,000



TOTAL PROJECT:     \$1,472,000  
Job Creation:         19 FT and 30 PT  
LMI:                   100%  
Use of Funds:         Construction of New Facility

Missoula County will assist Norco Products in constructing a new manufacturing facility. Norco manufactures institutional furniture for nationwide distribution. Norco will hire 19 full time and 30 part time workers. These jobs will be made available to low and moderate income persons.

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**Locality:**                 **Town of West Yellowstone**

Company Name:         Ralide - West Saddle Tree  
Type of Business:       Manufacturing Saddles  
Financing Date:         Spring of 1985

CDBG Funds:           \$   88,937  
MEDB:                   \$   40,000  
US SBA:                 \$  170,000  
Equity:                 \$  125,000  
TOTAL PROJECT:       \$  423,937

Job Creation:                 12  
LMI:                         (67%)  
Use of Funds:             Working Capital

This project provided partial funding for the Ralide- West Saddle Tree manufacturing facility. The firm's goal is to provide a maximum of 12 jobs, 8 of which will be made available to low and moderate income persons.

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**Locality:**                 **City of Belgrade**

Company Name:         Butler Creek Corporation  
Type of Business:       Manufactures Sporting Goods  
Financing Date:         Fall of 1984

CDBG Funds:           \$  210,500  
MEDB:                   \$   50,000  
TOTAL PROJECT:       \$  560,500

Job Creation:                 27  
LMI:                         23 (85%)  
Use of Funds:             Working Capital

The City of Belgrade is constructing a new facility that manufactures sporting goods and photographic accessories for worldwide distribution. Butler Creek plans to employ 27 persons, 23 which would be low to moderate income persons.

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**Locality: City of Kalispell**

Company Name: Multi-purpose Projects

Type of Business: Housing Rehab, Low-Interest Rehab Loans, and a plastic injection molding firm relocation.

Financing Date: Fall of 1983

CDBG Funds: \$1,500,000

Private Funds: \$3,126,000

Other Funds: \$ 403,000TOTAL PROJECT: \$5,209,000

Job Creation/LMI: 96%

Use of Funds: Rehabilitation of housing units, low-interest loans, and relocation of molding firm.

This is a three year multipurpose project consisting of three components: Housing rehabilitation grants and low-interest loans. The project rehabilitated approximately 60 housing units, subsidized low-interest commercial rehabilitation loans for renovation of exterior building facades and interior building rehabilitation for Kalispell's downtown redevelopment area, and relocated a plastic injection molding firm to Kalispell, which shares quarters with Flathead Industries. Thirty jobs were created; two-thirds were for low and moderate income persons, with preference given to FIFTH clients.

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**Locality: Hill County**

Company Name: Multipurpose Projects

Type of Business: Rebuilt Milk River Weir; Meissner Tractors

Financing Date: Fall of 1983

CDBG Funds: \$1,500,000

Private Funds: \$ 950,000

Other Funds: \$ 134,000TOTAL PROJECT: \$2,584,000

Job Creation/Retention: 29/23

LMI: 48 (56%)

Use of Funds: Working Capital

The project rebuilt the Milk River weir that diverts water to Havre's water treatment plant. The County loaned \$475,000 from each year's grant to Meissner Tractors for working capital (Fiscal years 1984 and 1985).

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<b>Locality:</b>	<b>Sweet Grass County</b>
Company Name:	C. Sharps Arm County, Inc.
Type of Business:	Sewer, Water & Street Improvements and Manufacturer of black powder, replica firearms
Financing Date:	Fall of 1982
CDBG Funds:	\$ 334,071
Private Funds:	<u>\$ 225,000</u>
TOTAL PROJECT:	<u>\$ 559,071</u>
Job Creation:	16
LMI:	12
Use of Funds:	Working Capital

A major portion of the grant (\$200,000) financed sewer, water and street improvements to a manufacturing-industrial site located east of Big Timber. Sweet Grass County also loaned \$100,000 to the C. Sharps Arm County, Inc. a manufacturer of black powder, replica firearms, and accessories to construct a new building and locate their plant on the site. A total of 16 new full-time jobs were created, 12 of which were filled by low and moderate income persons.